

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 — 0 0 3

2. STATE:

Pennsylvania

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

Title XIX

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2000

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.250

7. FEDERAL BUDGET IMPACT:

a. FFY 00 \$ 3,324,840

b. FFY 01 \$ 6,624,970

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

4.19D Part 1

Pages 11g and 12

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

4.19D Part 1

Pages 11g and 12

10. SUBJECT OF AMENDMENT:

Change to the Disproportionate Share Incentive Payments for Nursing Facilities for fiscal
year 1999-2000 and 2000-2001.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:Review and approval authority has been
delegated to the Secretary of Public
Welfare

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Feather O. Houstoun

14. TITLE:

Secretary of Public Welfare

15. DATE SUBMITTED:

3/27/00

16. RETURN TO:

Commonwealth of Pennsylvania
Department of Public Welfare
P.O. Box 8025
Harrisburg, PA 17102

17. DATE RECEIVED:

3-27-00

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL:

1-1-00

21. TYPED NAME:

Claudette V. Campbell

22. TITLE:

Associate Regional Administrator

23. REMARKS:

H. Disproportionate Share

1. A disproportionate share incentive payment will be made based on **MA paid** days of care times the per diem incentive to facilities meeting the following criteria for a 12-month facility cost reporting period.

a. The nursing facility shall have an annual overall occupancy rate **of at least 90%** of the total available bed days.

b. The nursing facility shall have an MA occupancy rate of at least **80%**. The MA occupancy rate is calculated by dividing the MA days of **care paid** by the Department by the total actual days of care.

2. The disproportionate share incentive payments will be based on the following for year one of implementation:

	<u>Overall Occupancy</u>	<u>MA Occupancy (y)</u>	<u>Per Diem Incentive</u>
Group A	90%	$\geq 90\% \ y$	\$2.50
Group B	90%	$88\% \leq y < 90\%$	\$1.70
Group C	90%	$86\% \leq y < 88\%$	\$1.00
Group D	90%	$84\% \leq y < 86\%$	\$0.60
Group E	90%	$82\% \leq y < 84\%$	\$0.30
Group F	90%	$80\% \leq y < 82\%$	\$0.20

3. For each year subsequent to year one of implementation, disproportionate share incentive payments as described in (2) above will be inflated forward using the most current available Health Care Financing Administration Nursing Home without Capital Market Basket Index, total index level, to the end point of the rate setting year for which the payments are made.

4. These payments will be made annually within 120 days after the submission of an acceptable cost report provided that in no case will payment be made before 210 days of the close of the nursing facility fiscal year.

5. For year one of implementation only, facilities with a June 30 cost report year end will receive a disproportionate share payment based on the January 1 through June 30 time period.

6. The disproportionate share incentive payment to qualified nursing facilities shall be increased to equal two times the disproportionate share per diem incentive calculated in accordance with 55 Pa.Code 1187.111(c) as follows:

- a. For the period commencing January 1, 2000 through June 30, 2000, the increased incentive shall apply to cost reports filed for the fiscal period ending December 31, 1999 or June 30, 2000.
- b. For the period commencing July 1, 2000 through June 30, 2001, the increased incentive shall apply to cost reports filed for the fiscal period ending December 31, 2000 or June 30, 2001.
- c. For the period commencing July 1, 2001 through June 30, 2002, the increased incentive shall apply to cost reports filed for the fiscal period ending December 31, 2001 or June 30, 2002.
- d. For the period commencing July 1, 2002 through June 30, 2003, the increased incentive shall apply to cost reports filed for the fiscal period ending December 31, 2002 or June 30, 2003.

I. County Nursing Facility Supplementation Payments

For state fiscal periods commencing on or after July 1, 1996, and subject to the availability of sufficient county, state and federal funds based upon an executed intergovernmental transfer agreement and subsequent transfer of funds, the Department will pay supplementation payments to county nursing facilities in which MA-funded resident days account for at least 80% of the nursing facility's total resident days and the number of certified MA beds is greater than 270 beds. The Department will use the following methodology to calculate these payments:

1. The Department will calculate the maximum additional payments that it can make to participating nursing facilities under its state plan in conformity with 42 CFR 447.272(a).

**FY 1999-2000
MEDICAID/MEDICARE COMPARISON ANALYSIS
USING CASE MIX**

		TOTAL COST MEDICAID	<u>\$2,576,247,820</u>
		Adjustments to Medicaid Cost:	
		Potential Medicare Waivers	750,000
		Total Net Cost of Appeal and Audit	
		Settlements to 6/30/2000*	8,931,400
		Disproportionate Share Payments*	12,069,266
		Increased Cost for 98/99 Final Rates	48,432,862
		Durable Medical Equipment	13,799,960
		County Supplementation Payments	<u>1,521,004,000</u>
		Total Projected Adjustments	\$1,604,987,488
		Total cost of Medicaid with	
		Adjustments	<u>\$4,181,235,308</u>
TOTAL COST OF MEDICARE	<u>\$4,277,791,217</u>	DIFFERENCE	<u>\$96,555,909</u>

Please Note:

Inflation factors are taken from the second quarter 1999,
 DRI/McGraw Hill, Health Care Cost Review.

*(inflated to 06/30/2000 by 2.9%)

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**FY 2000-2001
MEDICAID/MEDICARE COMPARISON ANALYSIS
USING MEDICARE AND MEDICAID CASE MIX**

TOTAL COST MEDICAID		<u>\$2,584,146,994</u>
Adjustments to Medicaid Cost:		
Potential Medicare Waivers		750,000
Total Net Cost of Appeal and Audit Settlements to 6/30/2001*		15,797,841
Disproportionate Share Payments* ¹		21,580,354
Durable Medical Equipment		22,232,720
County Supplementation Payments		<u>1,373,907,000</u>
Total Projected Adjustments		<u>\$1,434,267,915</u>
Total cost of Medicaid with Adjustments		<u>\$4,018,414,909</u>
TOTAL COST OF MEDICARE	<u>\$4,125,045,953</u>	
DIFFERENCE		<u>\$106,631,044</u>

Please Note:

Inflation factors are taken from the second quarter 1999,
DRI/McGraw Hill, Health Care Cost Review.

*(inflated to 06/30/2001 by 3.2%)

*¹Amount doubled as per Exhibit H of the IGT Agreement

2000-2001 UPPER LIMIT**11 FACILITIES EXCLUDED FROM DATABASE**

PROV#	PROVIDER	EXPLANATION
755508	CAMBRIDGE SPRINGS PRESBYTERIAN HOME	CLOSED
1092240	GHESTNUT HILL REHAB	NO REPORT
1396808	COBBS CREEK NURSING HOME	CLOSED
1690604	ELIZA CATHCART HEALTH CENTER	CLOSED
908394	HAZELTON NURSING & GERIATRIC	MERGED- MT VIEW
1013291	KRAMM HEALTHCARE CTR- BROADWAY	CLOSED
1633180	MEADOWVIEW SENIOR LIVING CENTER	NO REPORT
751385	MEDICAL ARTS NURSING CENTER	NOW 1633180-IN DATABASE
1631480	MEDICAL CENTER BEAVER	NO REPORT
1601604	NORTH PHILADELPHIA HEALTH SYSTEM	CLOSED
1177392	PENNSYLVANIA HOSPITAL SKILLED CARE UNIT	NO REPORT

NOTE:

NO CALCULATION COULD BE PERFORMED-SEE EXPLANATION

THE 31 HOMES EXTRACTED FROM THE DATABASE

MA #	PROVIDER	STATUS	DAYS X		DAYS X			
			MA DAYS	MEDICAID	MEDICARE	MEDICAID RTE	MEDICARE RTE	
751385	MEDICAL ARTS NURSING CENTER	NOW MEADOWVIEW 1747592						
755508	CAMBRIDGE SPRINGS PRESB HOME	CLOSED						
1690604	ELIZA CATHCART HEALTH CENTER	CLOSED						
908394	HAZELTON NSG & GERIATRIC CTR	COMBINED W/ MT CITY						
1013291	KRAMM HEALTHCARE- BROADWAY	CLOSED						
1177392	PA HOSPITAL SKILLED CARE UNIT	NO REPORTS						
1396808	COBBS CREEK NURSUNG HOME	CLOSED						
1535008	BROOKLINE MANOR	NO REPORTS						
1541480	HENRY CLAY VILLA	CLOSED						
1601604	NORTH PHILADELPHIA HEALTH SYSTEM	CLOSED						
749850	REGINA NURSING CENTER		13286	123.98	161.58	1,647,198.28	2,146,751.88	
947258	NIPPLE CONVALESCENT CENTER		9815	95.04	152.45	932,817.60	1,496,296.75	
750790	LITTLE SISTERS OF THE POOR		12830	131.25	159.74	1,683,937.50	2,049,464.20	
745870	CLEPPER CONVALESCENT HOME		10217	93.11	146.84	951,304.87	1,500,264.28	
1207929	MILLCREEK MANOR		9323	95.76	151.18	892,770.48	1,409,451.14	
1741525	RATHFON CONVALESCENT HOME		10896	109.58	153.88	1,193,983.68	1,676,676.48	
756523	WYNCOTE CHURCH HOME		12151	113.35	163.98	1,377,315.85	1,992,520.98	
754888	MT. HOPE DUNKARD		9903	112.26	156.11	1,111,710.78	1,545,957.33	
754799	LAUREL MANOR NURSING HOME		10410	113.38	137.22	1,180,285.80	1,428,460.20	
749940	ST JOSEPH HOME FOR THE AGED		7389	115.32	161.58	852,099.48	1,193,914.62	
1473273	SHENANGO PRESBYTERIAN HOME		2228	98.87	128.99	220,282.36	287,389.72	
1767719	VILLAGE VISTA SKILLED NSG FACILITY		5882	109.91	146.39	646,490.62	861,065.98	
1560539	PRESBYTERIAN HOME FOR THE AGED		837	98.12	160.49	82,126.44	134,330.13	
912092	CONNER-WILLIAMS NSG HOME		11748	114.39	154.37	1,343,853.72	1,813,538.76	
879013	MARGARET E MOUL HOME		18604	250.9	193.86	4,667,743.60	3,606,571.44	
757370	KEPLER HOME INC		10751	117.44	154.37	1,262,597.44	1,659,631.87	
1553131	FRIENDLY NURSING HOME		14856	95.84	150.92	1,423,799.04	2,242,067.52	
757164	PRESBYTERIAN HOME OF REDSTONE		8276	108.28	172.95	896,125.28	1,431,334.20	
1553140	ZENDT HOME		13452	102.45	138.92	1,378,157.40	1,868,751.84	
1722127	BARCLAY FRIENDS		0					
1693375	CANONSBURG GENERAL HOSPITAL		0					
						23,744,600.22	30,344,439.32	